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MEXICO

The Mexican press corps and some government officials are scratching their heads over President Echeverria's announcement during his meeting with President Ford that Mexico will stop insisting on a new bracero agreement with the US.

Echeverria's statement was not consistent with the government's position; a bracero agreement, which would legalize the large, illegal flow of Mexican workers across the border, had been the foremost bilateral issue for Mexican policymakers for many months.

Foreign Minister Rabasa told US Ambassador Jova that Echeverria's decision was his own and, in Rabasa's opinion, made for "mistaken reasons."

The puzzled Mexican press initially sought to rationalize Echeverria's words, but most of the press and the public find it difficult to interpret the "new" Mexican position positively.

Press reporting on Echeverria's charter of economic rights and duties of states, the other key topic for the Mexicans at Nogales, was for a time misleading. The press at first interpreted Echeverria's highly optimistic comments to mean that the US would give the charter unequivocal support. Later articles more accurately reflected Washington's reservations.

Mexico doubtless would like to settle differences with the US over the charter's section on nationalization of foreign properties, but it may not have control over the charter's final wording. Radical members of the Group of 77, the assemblage of nations drafting the document, apparently intend to push for the charter's adoption in the UN General Assembly this year, regardless of whether the US and other large states agree on the key articles.

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IRAN

The Shah of Iran has made a new bid for support of his proposal for a single oil price system for the OPEC nations, prior to next month's crucial discussions among OPEC oil ministers.

The Shah restated his proposal at his news conference in Tehran on Saturday. The Shah's proposal would lower the posted price of light Arabian crude oil by about 14 percent. The posted price is only used for accounting purposes, however, and the Shah's proposal would not reduce the per-barrel revenues of the producing countries or lower the average cost of oil to consumers. Other pricing systems currently applied to buy-back and royalty oil would be dropped.

The Shah's proposal also includes an indexing scheme which would tie future changes in the price of oil to changes in the prices of 20 or 30 selected commodities. In the current era of double-digit inflation, the indexing plan would therefore virtually assure that consumer oil prices would go up. The Shah recommended that company profits be restricted in order to ease the consumers' burden.

The Shah's proposal, or some variation of it, is likely to be adopted by the OPEC oil ministers when they meet in Vienna next month. Several other OPEC nations have also advanced single price proposals, and the OPEC Working Committee on Oil Pricing has agreed to recommend a single price system to the ministers' meeting. Although the major producers have indicated strong support for a single price system, much behind-the-scenes maneuvering is expected before the price is set. If the OPEC ministers adopt a single price system, it will probably go into effect during the first quarter of 1975.

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TURKEY

Turkish Prime Minister Ecevit's bid to gain Justice Party cooperation in forming a new government was rejected yesterday by Suleyman Demirel. Demirel turned down all nine proposals Ecevit made last month, including the offer of a coalition or for either Demirel's Justice Party or Ecevit's Republican People's Party to support the other in forming a minority government.

Ecevit will meet with leaders of his own party today before deciding what his next move will be. There appears to be little new he can try, however. Since breaking up his governing coalition on September 18, Ecevit has sought to form coalitions with both the Democratic Party and the Justice Party, has tried to gain approval for early elections, and has even returned his mandate to President Koruturk to let Demirel try to form a government.

Ecevit had seemed close to gaining agreement for a coalition from the small Democratic Party on two previous occasions, and he may try once more. Even if the Democrats refuse him he might gain their support in a vote of confidence in parliament for organizing a minority government. Failing this, Ecevit would have little choice but to resubmit his mandate to President Koruturk, who again might try to gain support for a nonpartisan government to move the country toward elections some time next year.

Ecevit will continue to head the caretaker regime until a new government is formed. He continues to argue, however, that a strong government is needed to deal with the Cyprus issue and the nation's growing economic problems. Parliament convened on November 1 but can deal only with noncontroversial issues, depriving Ecevit of the support he would need for any new initiatives.

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INDIA

A mass protest against corruption in the state government of Bihar in northern India is scheduled to take place today in Patna, the capital. The protest could precipitate the eventual downfall of the state government. Today's demonstration climaxes a seven-month campaign led by aging pacifist J. P. Narayan to bring down the government of Bihar, India's poorest and most corrupt state.

According to press reports from New Delhi, police yesterday arrested 1,000 potential troublemakers in the state. New Delhi can contain the protest fairly easily, but some bloodshed seems inevitable. Large demonstrations in Patna last month resulted in 13 deaths and thousands of arrests.

The demonstrations proved that Narayan has significant support. Today's protest could lead to nationwide publicity for Narayan; opposition parties have called for a 24-hour general strike in New Delhi in support of the Bihar protest.

With national elections due early next year, Mrs. Gandhi will move cautiously. She will wish to avoid endangering the unity of her Congress Party and is unlikely to delve deeply into corruption at high levels of her administration.

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ANGOLA

Portuguese military forces are attempting to quell a sudden wave of racial violence that broke out last week in the Malange area of northeastern Angola. Press reports from Luanda claim that bands of Africans have sacked homes, stores, public buildings, and at least one bank.

The US consul general in Luanda has been informed by military sources that the violence is the work of marauding bands of Africans taking revenge against white farmers and merchants who, the Africans believe, have been exploiting them. A number of farms apparently have been burned out, and white travelers have been ambushed. Army sources also claim that white vigilantes dressed in military jungle garb have retaliated against African villages.

The Malange area was in the early 1960s the scene of violence stemming from the depressed state of the area's important cotton economy. The violence was not associated with the Angolan nationalist movement; the population in the Malange area has resisted identification with the rebel groups. The army claims it has assurances from the insurgents that they will help restore order.

The Malange area could emerge as a major trouble spot both for the Portuguese and for an independent Angolan government, unless labor practices are improved and the area's cotton economy is put on a sounder economic footing.

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Romania: Romanian Foreign Minister Macovescu arrives in France today for a two-day, official visit. He will concentrate on economic and commercial matters, particularly the acquisition of a low-interest loan of about \$106 million and the purchase of Puma-330 helicopters. Other topics on the agenda include the Middle East, the European security conference, Cyprus, and a possible reciprocal opening of consulates. [REDACTED]

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South Vietnam: Saigon remained quiet over the National Day weekend. Catholic and Buddhist militants reportedly held peaceful antigovernment rallies in the capital yesterday, but there were no street demonstrations. We have no information to confirm press reports, attributed to an opposition senator, of security forces firing into a group of Catholic demonstrators in a village northeast of Saigon--allegedly killing three persons and wounding ten others. Government spokesmen in Saigon have denied the charges. [REDACTED]

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